



FALL 2007



PENSION NEWS

PUBLICATION OF THE FIREMEN'S ANNUITY & BENEFIT FUND OF CHICAGO

TWENTY SOUTH CLARK STREET - SUITE 1400 * CHICAGO, ILLINOIS 60603 * TELEPHONE: (312) 726-5823

Office Hours - 8:00 a.m. to 4:30 p.m. - Monday thru Friday

<http://www.fabf.org>

RETIREMENT BOARD

DERRICK JACKSON, DEPUTY FIRE COMMISSIONER, PRESIDENT

STEPHANIE NEELY, CITY TREASURER

STEVEN LUX, CITY COMPTROLLER

MIGUEL del VALLE, CITY CLERK OF CHICAGO

ANTHONY R. MARTIN, FUND SECRETARY

DAN FABRIZIO, VICE PRESIDENT

MICHAEL SHANAHAN, ELECTED MEMBER

WALTER CARLSON, ANNUITANT MEMBER

FROM THE SECRETARY

ANTHONY R. MARTIN

Dear Brothers and Sisters,

Summer is drawing to a close and a State of Illinois budget resolution is at hand. Our attention will now turn to the contract negotiations between Local 2 and the City of Chicago. Everyone is hoping for an amicable and timely resolution to these negotiations. Meanwhile, several important issues at the Pension Fund, unrelated to the contract talks, will affect many of our participants.

RETIREE HEALTHCARE – REFUNDS OF PREMIUM OVERPAYMENT

Many annuitant members covered under the City of Chicago Medical Plan for Annuitants received a refund of the amounts of overpaid premiums that they paid to the City of Chicago during the period of September 2003 through December 2004. These refunds were the result of a reconciliation process that required the City of Chicago to compare actual health care costs with amounts apportioned among the City, the pension funds and the annuitant members in accordance with the Korshak Settlement Agreement.

The reconciliation of the actual health care costs in comparison to the premiums that annuitants paid during calendar year 2005 requires that another refund be issued because the premiums that were established were set too high. These refunds will be issued to several categories of annuitants enrolled in the City of Chicago Health Care Plan for Annuitants. The City of Chicago Benefits Management Office has indicated that they will begin mailing these refund checks in early September.

Many Annuitants have asked: what is causing these refunds? The only answer is as follows: The Korshak Settlement Agreement requires that the actual costs of annuitant health care be divided among the City of Chicago, the annuitants and the pension funds under a certain formula. The premiums established for the annuitants in any given year are based on estimates of future expected health care cost trends. It is not until the

SECRETARY'S LETTER

actual costs of health care in any yearly period can be audited and reconciled to the amount that annuitants paid as premiums in that same period that a determination of any potential overpayment can be made.

The funds continue to work with the City of Chicago and the independent counsel under the supervision of the court to ensure that annuitant health care costs are shared according to the requirements of this Korshak Settlement Agreement. There is no guarantee that any refund due to premium overpayment will occur in future periods. As health care costs continue to increase nationally, the reconciliation of the actual costs of the plan to the anticipated costs on which premiums are based can not prevent premiums from going up. The audit and reconciliation process will insure that all parties pay their agreed upon fair share.

The Korshak Settlement Agreement requires that the City of Chicago provide this Health Care Program for Annuitants in its current format through June 30, 2013. That is only SIX years away. We will be closely monitoring the contract negotiations between Local 2 and the City of Chicago to see what, if any, discussions or agreements pertaining to retiree health care are included. Annuitant health care is an important factor impacting upon the retirement security of all members. I believe that it is imperative that serious dialogue aimed at reaching a long term solution to the retiree health care issue needs to begin.

PENSION PROTECTION ACT – IRS PROCEDURES

The Fund has notified its retired members on several occasions that the “Pension Protection Act of 2006” (PPA) allows retired public safety personnel to exclude up to \$3,000 paid as health care premiums from their gross taxable income, when those premiums are paid to the insurance company directly by the pension fund on behalf of that member.

Previously, in the absence of any directions from the IRS on the implementation of this provision, the Fund had gone to great lengths to notify all eligible retired members of this provision and allow them to direct the Fund to utilize the premiums they were paying to take advantage of the potential reduction to their taxable income.

Now, the Fund has finally received specific instructions from the IRS on the procedures that must be followed by our members when filing their tax return for calendar year 2007 (and beyond) in order to reduce their taxable income. Members will have to complete a special worksheet contained in IRS Publication 575 and carry this adjusted total to lines 16A and 16B on their individual IRS 1040s.

A separate issue recognizing the City of Chicago’s self-insured program as a qualified health care provider has been resolved. The Department of the Treasury has indicated that the IRS will allow our members to take advantage of the provisions of the PPA as we believe it was originally intended.

No one enjoys dealing with the often complicated requirements of IRS schedules and forms. While we will not provide “tax advice” to our members, the Fund will be mailing a letter to all eligible retired members indicating the amounts that should be included on these schedules along with an example of the IRS Forms in November/December 2007. This information should help you and/or your tax preparer take advantage of this health care deduction.

This is a significant benefit to many of our participants. Many retired members will have a significant reduction on their 2007 taxes because of this provision, so it will be worth the additional time you need to spend on preparing your taxes next year. Remember, if you retired after obtaining age 60 and have not reached Medicare eligibility yet, you are probably still in the City of Chicago Medical Plan for active employees and do not pay any premium yet. This provision will not benefit you until you start paying premiums for health care.

SECRETARY'S LETTER

ANNUAL REPORT FOR PARTICIPANTS

By now all members have received the Fund's annual Financial Report for the year ended December 31, 2006. I hope all members have taken some time to review the financial status of the Fund. The most obvious piece of information is the fact that total benefits payments of \$174 million exceed the combined total of employee and employer contributions of \$123 million during 2006. The cash shortfall of \$51 million was made up from investment earnings. The fact that the Fund has managed to grow despite these annual shortfalls is a testament to the Fund's sound investment program.

Several members have asked why total employer contributions decreased from \$90 million in 2005 to \$78 million in 2006. It is not uncommon for employee and or employer contributions to spike in certain years. If a retro active salary payment causes employee contributions to spike in any year, the corresponding spike in employer contributions will be seen in the second subsequent year when the receivable for the employer required portion is recorded as income. Please note that all amounts required as additional contributions from the City to be used as funding for incremental exempt rank benefits have been received and are segregated in the presentation of the employer contribution section. (FABF Annual Financial Report, pg13.) The additional funding pertaining to this provision is calculated each year by our independent Actuary and included as part of the Fund's annual Tax Levy Resolution.

This year's annual mailing also includes a personal information sheet which indicates beneficiaries and other important information. Members should insure that the Fund receives appropriate documents pertaining to your personal and family status on a timely basis. It is our hope that all the work performed by our staff in creating this document will help to alleviate some of the questions that arise with respect to the payment of a member's benefits.

TRUSTEE ELECTIONS

Two elections will be held in October 2007, one Active Firefighter Trustee and one Annuitant Member Trustee. Members will be mailed a ballot for the election in which they are eligible to vote. In the nearly five years I've been a Trustee, we have averaged around a 50% return in each of the Trustee elections that have been conducted. **This is your pension fund, VOTE!**

WIDOW'S AND ORPHAN'S ASSISTANCE FUND

A new charitable organization has been established to provide assistance to the neediest widows and orphans of the members of the Chicago Fire Department. The Ende, Menzer, Walsh and Quinn Retirees, Widows and Children's Assistance Fund, (the "Charity Fund") which is separate from the "Gift Reserve" account of the Firemen's Annuity & Benefit Fund of Chicago, has been granted tax exempt status under IRS Code Section 501 (c)(3) and will allow donors to receive a tax deduction for federal income purposes. Donations made to the existing "Gift Reserve" account of the Pension Fund are not tax deductible.

The current distributions made to our widows and orphans from the "Gift Reserve" account are taxable to them just as any other "payment or distribution" from a qualified retirement system is taxable. Proposed distributions to our widows and orphans from the IRS 501(c)(3) Ende, Menzer, Walsh and Quinn Retirees, Widows and Children's Assistance Fund will not be taxable to the recipients. This new Ende, Menzer, Walsh and Quinn Retirees, Widows and Children's Assistance Fund is an entirely separate legal entity and will operate under its own guidelines.

SECRETARY'S LETTER

The sole mission of the Charity Fund is to provide financial assistance directly to the needy widows and orphans of the members of the Chicago Fire Department from the revenues it can accumulate. This independent entity will be governed by a board of directors knowledgeable about the fund and who will also be legally accountable to the IRS for its operations and reporting. By law, this organization will have its own bank accounts, financial reports and an independent annual audit.

I am grateful for all the work that the Fund's staff has graciously donated in helping current and former Trustees in establishing this Charity Fund to better serve our neediest participants. I would like to thank our new City Clerk of Chicago and Ex-Officio Fund Trustee Miguel del Valle and Fire Commissioner Raymond Orozco for offering their assistance in establishing this Charity Fund as a means for our Fire Department community to serve our neediest Widows and Orphans. I would also like to thank former Fund Trustee George Korda, who has graciously accepted the position of President of the Board of Directors for this new Charity Fund.

The trustees of this new Charity Fund will be seeking to have it included in the City of Chicago Charitable Giving program. If and when this Charity Fund is accepted into the City of Chicago program, active members will be able to make a tax deductible donation directly to this Charity Fund. Annuitants may utilize the form on page 7 to initiate an automatic deduction from their monthly benefit check.

WWW.FABF.ORG

If you have not checked us out lately, you'll be pleasantly surprised. A lot of valuable information for both Active and Retired Fund members is now available ON-LINE. Give us your comments and we'll be glad to consider adding more info.

DECEASED PARTICIPANTS FROM MARCH 1, 2007 TO JULY 31, 2007

NAME	DATE OF DEATH	
STEPHANI ALBERTS	4/9/2007	WIDOW OF WALTER T ALBERTS
LOIS M ANDERSON	4/23/2007	WIDOW OF HERBERT ANDERSON
KATHLEEN BAROUSKI	3/30/2007	WIDOW OF JOSEPH M BAROUSKI
RITA M BARRY	6/16/2007	WIDOW OF JOHN F BARRY
*BERNICE BEAUVAIS	2/19/2007	WIDOW OF EDWARD T BEAUVAIS
*WALTER T BENSON	2/14/2007	FIREFIGHTER
ROBERT C BERGMANN	3/16/2007	FIRE ENGINEER
CHARLES F BRADY	3/23/2007	LIEUTENANT
*DOROTHY BRENNAN	2/25/2007	WIDOW OF EDWARD J BRENNAN
COLLINS E BROWN	6/9/2007	BATTALION CHIEF
DANIEL W BURKE	6/10/2007	FIRE ENGINEER
ROBERT W BURKE	6/15/2007	CAPTAIN
ROBERT J CARLSON	4/2/2007	FIREFIGHTER
EDITH M CASEY	3/16/2007	WIDOW OF JOHN E CASEY
HELEN CELICH	7/30/2007	WIDOW OF ANTHONY E CELICH
BARBARA F DEGENOVA	6/19/2007	WIDOW OF MARIO A DEGENOVA
DENNIS J DELANEY	6/18/2007	LIEUTENANT

DECEASED PARTICIPANTS FROM MARCH 1, 2007 TO JULY 31, 2007

ANN T DOWLING	5/10/2007	WIDOW OF JOHN P DOWLING
MARGUERITE E DUFF	6/29/2007	WIDOW OF GUY C DUFF
JOHN M EVERSOLE	5/20/2007	CHIEF OF EMPLOYEE RELATIONS
EDNA M FLETCHER	4/19/2007	WIDOW OF KENNETH FRED DALLY
DEAN J FORCHIONE	3/2/2007	LIEUTENANT
ELAINE L FOSTER	6/25/2007	WIDOW OF GEORGE D FOSTER
RAYMOND M GOOSSENS	4/20/2007	FIREFIGHTER
WILLIAM F GRANT	3/23/2007	FIREFIGHTER
TACY GREENHILL	4/5/2007	WIDOW OF RAYMOND GREENHILL
ROBERT E HELGESON	6/12/2007	FIREFIGHTER
*VIOLET HEROLD	2/26/2007	WIDOW OF WM HEROLD
THOMAS R HILDEN	3/17/2007	LIEUTENANT
CHARLES HOCK	7/1/2007	FIREFIGHTER
*RICHARD H HOFFMAN	2/10/2007	FIREFIGHTER
WILLIAM D HURLEY	3/23/2007	FIREFIGHTER
DON M JAMES	6/17/2007	FIREFIGHTER
FRANK P KANIA	3/29/2007	FIRE ENGINEER
RAYMOND J KOZNECKI	3/16/2007	FIREFIGHTER
MARGARET KUNES	3/7/2007	WIDOW OF GEORGE J KUNES
JOHN T LEONARD	3/7/2007	LIEUTENANT
LOYAL E LUNDORF	5/4/2007	FIRE ENGINEER
JAMES P LYNN	3/24/2007	BATTALION CHIEF
*MARGARET L MADDEN	2/21/2007	WIDOW OF JOSEPH P MADDEN
DOROTHY F MARKS	5/7/2007	WIDOW OF WALTER T MARKS
VIRGINIA R MARKWART	3/22/2007	WIDOW OF JOHN J MARKWART
HARRY J MARQUARDT	5/2/2007	FIREFIGHTER
FRANCIS C MCGINNIS	6/9/2007	SUPERVISOR OF AMBULANCE SERVICES
ROSE V MCGINNIS	6/4/2007	WIDOW OF WILLIAM F MCGINNIS
HELEN MCLAUGHLIN	6/13/2007	WIDOW OF JAMESJ. MCLAUGHLIN
RAYMOND T MCNAMARA	4/9/2007	FIREFIGHTER
N G METROPULOS	4/30/2007	FIREFIGHTER
JAMES F MORGAN	5/21/2007	FIREFIGHTER
JAMES R MULLANY	7/28/2007	FIREFIGHTER
JUNE D MURPHY	7/26/2007	WIDOW OF JAMES L MURPHY
JOHN M MURRAY	6/24/2007	
DOROTHY MYERS	4/27/2007	WIDOW OF JAMES R MYERS
RUSSEL A NESIEWICZ	6/10/2007	FIREFIGHTER
VELMA E OBRIEN	6/26/2007	WIDOW OF PHILIP M OBRIEN
ANNE M PALM	6/30/2007	WIDOW OF ROBERT J PALM
CONRAD C PEDERSEN	5/2/2007	FIREFIGHTER
CRAIG PERMANIAN	4/8/2007	FIREFIGHTER
ROBERT L PILLON	4/6/2007	LIEUTENANT
BERNICE POPE	3/8/2007	WIDOW OF EUGENE POPE
EDWARD C PUNJAK	5/29/2007	FIREFIGHTER
THOMAS C REDDY	4/12/2007	CAPTAIN
BERNICE H RICKARD	3/13/2007	WIDOW OF JAMES E RICKARD
*EMILY S RUCINSKI	2/10/2007	WIDOW OF WALTER V RUCINSKI

DECEASED PARTICIPANTS FROM MARCH 1, 2007 TO JULY 31, 2007

*BERNICE RUSSO	2/12/2007	WIDOW OF MICHAEL F RUSSO
JEAN S RYBANDT	5/17/2007	WIDOW OF FRANK J RYBANDT
STANLEY J SALAPAT	6/16/2007	FIREFIGHTER
PETER SCALONE	5/21/2007	LIEUTENANT
BURILLA T SKERRETT	4/22/2007	WIDOW OF EDWARD F SKERRETT
BERNARD L SLOAN	5/25/2007	FIREFIGHTER
JULIA K SMITH	3/24/2007	WIDOW OF RAHE W SMITH
WILLIAM E SPENCER	3/29/2007	FIREFIGHTER
JAMES STOEKE	7/7/2007	SUPERVISOR OF AMBULANCE SERVICES
SYLVIA E TENTERIS	6/6/2007	WIDOW OF VITO J TENTERIS
RAYMOND J THOMPSON	4/4/2007	FIREFIGHTER
MARGARET A VASQUEZ	4/21/2007	WIDOW OF ANTHONY VASQUEZ
JOSEPH G WIRTH	4/25/2007	CAPTAIN
GEORGE K WITRY	7/28/2007	FIRE ENGINEER
JUNE F ZEHME	5/22/2007	WIDOW OF RICHARD R ZEHME
AUDREY L ZERFASS	6/9/2007	WIDOW OF RUSSELL J ZERFASS
EDWARD J ZUBEK	7/13/2007	LIEUTENANT

*Denotes information received after publication of the last newsletter

Our Deepest Sympathy To the Families and Friends Who Have Lost Love Ones

GIFT FUND INFORMATION

On behalf of the Trustees, staff and all participants of the Firemen's Annuity and Benefit Fund of Chicago, I would like to extend our sincere appreciation to everyone who has so generously donated to The Firemen's Annuity and Benefit Fund, Gift Reserve Account in the past and all those Retired and Widowed participants who have authorized automatic deductions from the benefit checks for the continued support of our neediest Widows and Orphans.

In 2006, The Retirement Board authorized a distribution from "the Gift Reserve Account" of \$500 to 737 Widows who receive \$1,200 per month or less and to the 99 orphan beneficiaries of our members. A total of \$438,000 was distributed. The Retirement Board will continue to support our neediest Widows and Orphans through this account.

I am pleased to report to our members that, a new charitable organization, *The Ende Menzer Walsh & Quinn, Retirees' Widows' and Children's Assistance Fund* ("the Charity Fund") has been created for the sole purpose of providing financial support to our neediest widows and orphans. This Charity Fund is totally separate from the Firemen's Annuity And Benefit Fund of Chicago and has been granted tax exempt status by the IRS under section 501(C)(3). The Charity Fund will operate in addition to the Gift Reserve Account that is part of the pension fund.

There are several advantages to all members of the Tax Exempt Status of the new Charity Fund.

Donors to this Charity Fund can receive an IRS acceptable receipt for their donation(s) which may be used as a legitimate tax deduction.

Distributions made to our neediest widows and orphans from this Charity Fund are not taxable income to them.

The Charity Fund is pursuing inclusion into the City of Chicago Charitable Giving Program which, if accepted, will allow active members to contribute via payroll deduction.

Any Beneficiary of the Firemen's Annuity and Benefit Fund of Chicago may authorize an automatic deduction directly from their monthly **annuity check**. Active members may send checks directly to the Fund office.

**THE FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO GIFT RESERVE ACCOUNT
AND
ENDE MENZER WALSH & QUINN RETIREES' WIDOWS' AND CHILDREN'S ASSISTANCE FUND**

AUTOMATIC DEDUCTION AUTHORIZATION FORM

Yes, please deduct \$ _____ from my benefit check as a one time donation to the gift fund.

Yes, please deduct \$ _____ each month from my benefit check as my monthly donation to the gift fund.

Name (please print)

Address

City, State, Zip Code

Signature

YES, I WOULD LIKE MY DEDUCTION TO BE TAX DEDUCTABLE (Ende, Menzer Walsh & Quinn Fund)

Please return this form to: The Firemen's Annuity & Benefit Fund of Chicago
20 South Clark Street Suite 1400
Chicago, Illinois 60603

Signed authorization forms received by the 20th of any month will impact that month's benefit check. Forms received after the 20th will be reflected in the subsequent month. Authorized deductions will continue until otherwise retracted.

Thanks again to all that support this Fund.

The Pension Office will be closed on the following dates:

Monday, September 3, 2007 (Labor Day)

Monday, October 8, 2007 (Columbus Day)

Monday, November 12, 2007 (Veterans' Day)

Thursday, November 22, 2007 (Thanksgiving Day)

Tuesday, December 25, 2007 (Christmas Day)

THE FOLLOWING ANNUITIES AND BENEFITS HAVE BEEN GRANTED

FEBRUARY, 2007

Occupational Disabilities:

EMT/LT Thomas M. Joyce, Tower Ladder 54
LT John Stancil, Truck 31
ENG Lonny R. Ross, Engine 86

Duty Disabilities:

ENG Angelo J. Imparato, Engine 49
EMT/ENG Michael K. Magee, 3rd District Relief

MARCH, 2007

Minimum Formula Annuities:

*FF Earl Bybee, Engine 32
FF Willie Leggs, Engine 80
FF John A. Milas, Engine 32
PFO Patrick M. Mroczek, 4-5-3
FF/PA Robert Ossler, Air Sea Rescue
*FF Robert Valentinas, Truck 31

Occupational Disease Disabilities:

EMT/FF Raphael E. Miles, Truck 45
LT/PA Lawrence W. Murray, Engine 127
FF Michael Gordon, Office of Fire Investigations

Duty Disabilities:

BC Stanley T. Kotlarz, 10th Battalion

APRIL, 2007

Minimum Formula Annuities:

EMT/LT Franklin M. Blyden, Truck 45
*FF Roger Gosha, Engine 104
EMT/LT Larry Mills, Engine 1
PA Donna M. Parrott, Ambulance 9
EMT/BC Martin J. Wirtz, Headquarters

Occupational Disabilities:

LT Kevin Ward, 2nd District Relief

Duty Disabilities:

FF William J. Milton, Truck 7

MAY, 2007

Minimum Formula Annuities:

BC Thomas M. Dinneen, Headquarters
*FF William P. Flynn, Truck 45
EMT/ENG Roger D. Friz, Engine 119
FF George F. Harty, Engine 92
ENG Steven A. Johnson, Engine 74
FF Vincent P. Liberto, Engine 32
DF COMM Demarre McGill, Fire Prev Bureau HQ
PA Robert J. Ryan, Engine 129
FF Douglas S. Warner, 2-7-8/Engine 9

Occupational Disease Disabilities:

EMT/ENG Hector Aramburu, Engine 117
DIR Patricia A. Ciara, Personnel

JUNE, 2007

Minimum Formula Annuities:

LT Michael Anderson, Truck 62
PFO Kevin P. Barry, Headquarter Relief
BC Richard Coco, 2nd District Relief
*PIC Patricia R. Conway, Ambulance 16
*BC William D. Crawford, 1st Battalion
DC George Lynch, 2nd District
FF Garland L. McElvaine, Truck 53
*FF John J. Prinz, Jr., Engine 80
BC William C. Story, Battalion 10
PFO Donald W. Walsh, Headquarters

Duty Disabilities:

FF Charles L. Consola, Engine 86
EMT/FF Jesus Facundo, Engine 13

JULY, 2007

Minimum Formula Annuities:

FF Charles M. Coffey, Truck 60
*AC Holman Evans III, Ambulance 37
FF Reginald P. Goolsby, Engine 101
CP Michael G. Jackson, Fire Prevention Bureau-West
LT/PA Robert B. Macek, Engine 11
FF Erwin R. Machel, Tower Ladder 21
*FF Robert L. Olsen Sr., 4-9-3
FF James Powell, Aerial Tower #1
LT Ronald E. Scherer, Engine 112
ENG Ramon R. Venegas, Engine 101

Duty Disabilities:

EMT/LT James G. Roccasalva, Truck 27

**THE FOLLOWING DONATIONS HAVE BEEN MADE TO THE
FIREMEN'S ANNUITY & BENEFIT FUND OF CHICAGO GIFT RESERVE ACCOUNT**

Gift Reserve Account Donations for February, 2007:

\$25.00 Robert & Kathleen Martin
\$75.00 Joe Fiorito
\$75.00 Edward Schubert
\$78.00 Brother Houlihan
\$100.00 Rachel B. Russell in memory of James H. Miller.
\$120.00 Brother Heenan

Gift Reserve Account Donations for March, 2007:

\$25.00 Robert and Mary Kubiak
\$25.00 Robert and Kathleen Martin
\$50.00 Brother Twardak
\$50.00 Wilbert and Mary Kalk in memory of James Patrick Lynn.
\$60.00 Edwin F. Paulsen in memory of Edwin, Jeanette & James Paulsen.
\$60.00 Brother O'Connell
\$100.00 Catherine Airola in loving memory of Lee Airola.
\$100.00 Anthony and Bridgette Martin
\$100.00 John Keller, in memory of William Grant

Gift Reserve Account Donations for April, 2007:

\$25.00 Robert and Kathleen Martin
\$68,214.52 Sylvia Slegl

Gift Reserve Account Donations for May, 2007:

\$25.00 Robert & Kathleen Martin
\$25.00 Robert & Collen Bettenhausen in memory John Eversole.
\$50.00 Lillian E. Cyborski in memory of husband, Robert Cyborski.
\$50.00 Robert & Vicki Stenner in memory of John Eversole.
\$50.00 John Healy
\$100.00 Michael & Patricia Shemash in memory of Michael Shemash.
\$100.00 Dennis & Aurelie King in memory of Clarene Houlihan.
\$100.00 James & Dorothy Myers
\$120.00 Edwin Paulsen, in memory of Edwin, Jeanette & James Paulsen.
\$250.00 College Park Volunteer Fire Dept., Inc. in memory of Chief John Eversole.

Gift Reserve account Donations for June, 2007:

\$20.00 John and Marlene Salerno in memory of John M. Eversole.
\$25.00 Robert and Kathleen Martin
\$25.00 Barton & Janet Miller in memory of John M. Eversole.
\$25.00 James & Ruth Clark in memory of John M. Eversole.
\$25.00 Kevin & Anne Boehne in memory of John M. Eversole.

**THE FOLLOWING DONATIONS HAVE BEEN MADE TO THE
FIREMEN'S ANNUITY & BENEFIT FUND OF CHICAGO GIFT RESERVE ACCOUNT**

\$25.00 John and Kathleen Hadfield in memory of John M. Eversole.
\$25.00 Cynthia L. Dougherty in memory of John Eversole.
\$25.00 John and Barbara Connors in memory of John M. Eversole.
\$25.00 Cornelious & Joan Sullivan in memory of Dennis Joseph Delaney.
\$25.00 Thomas and Cynthia McMahon in memory Dennis Joseph McMahon.
\$25.00 Michael & Patricia Jurkash in memory of James Miller.
\$25.00 Michael & Patricia Jurkash in memory of Charles Brady.
\$25.00 Tony & Bridgette Martin in memory of Chief John Eversole.
\$25.00 John and Mary Kelly in memory of Dennis Delaney.
\$30.00 Alice Allred Pottmyer in memory of John Eversole.
\$30.00 Juliann and Michael Geraci in memory of Dennis Delaney.
\$50.00 Josephine Maday in memory of Dennis J. Delaney.
\$50.00 Robert and Eleanor Corcoran in memory of Dennis "Joe" Delaney.
\$50.00 Dr. Richard & Maryann Rooney in memory of Robert William Burke.
\$50.00 Richard and Ann Swanson in memory of John Eversole.
\$50.00 Paul and Sonja Boecker and Family in memory of John Eversole.
\$78.00 Richard and Kathy Jensen in memory of John Eversole.
\$100.00 3001, Inc.
\$100.00 Tyson J. Dickerson in memory of John Eversole.
\$100.00 James and Joan Reisel, in memory of Joe Delaney.
\$100.00 Mary Sola in memory of Dennis J. Delaney.
\$100.00 St. Cletus School in memory of Dennis Joseph Delaney.
\$100.00 Detrick Lawrence, in memory of John Eversole.
\$100.00 Canadian National Railway Company in memory of John M. Eversole.
\$100.00 J & D Enterprises in memory of John Eversole.
\$100.00 Maxine C. Wright in memory of John M. Eversole.
\$250.00 The Firemens Association of Chicago in memory of Alexandes Erfort.
\$250.00 Millennium Rail, Inc. in memory of Dennis Joseph Delaney.
\$280.00 Promotional Party for Cliff Boyce and William D. Boyle
\$1,000.00 Anonymous
\$4,000.00 Battle of the Badges

Gift Reserve Account Donations for July, 2007:

\$20.00 Cathy L. Peters in memory of Dennis Delaney.
\$20.00 Philip & Mary Dote in memory of Dennis Delaney.
\$20.00 Mary Delaney
\$20.00 Gina and Michael Adams in memory of Dennis Delaney.
\$20.00 Barbara and Frank Farrell in memory of Dennis Delaney.
\$20.00 Alice and Thomas Markel in memory of Dennis Delaney.
\$25.00 Linas Kelecius
\$25.00 Doris J. Swan
\$25.00 Robert and Maryrose Sloan in memory of Dennis Delaney.
\$25.00 Tom Kulbida in memory of Michael Korda, father of George Korda.
\$25.00 Margaret and John Wilkins in memory of Dennis J. Delaney.
\$25.00 Gerald L. Grey & Associates in memory of John Eversole.
\$25.00 Robert and Kathleen Martin
\$25.00 Fredrick and Bonita Vangennip in memory of Robert Burke.

**THE FOLLOWING DONATIONS HAVE BEEN MADE TO THE
FIREMEN'S ANNUITY & BENEFIT FUND OF CHICAGO GIFT RESERVE ACCOUNT**

- \$25.00 Grant Young in memory of Robert Burke.
- \$25.00 Mary and Kevin Hiler in memory of Robert W. Burke.
- \$25.00 Orville and Mary Taylor in memory of Robert Burke.
- \$25.00 Robert and Mary Kubiak
- \$25.00 Robert and Susan Winters in memory of Robert Burke.
- \$25.00 James & Doris Davin in memory of Robert Burke.
- \$25.00 Deborah J. Capello in memory of Dennis Delaney.
- \$25.00 The Soldat Family in memory of Dennis Delaney.
- \$25.00 Jacqueline M. Byerly in memory of Dennis Delaney.
- \$25.00 Robert and Kathleen Martin
- \$25.00 Patricia Mary Beernink in memory of Joe Delaney.
- \$25.00 Maureen and Philip Moore in memory of Dennis Delaney.
- \$25.00 The McQuaid Family in memory of Dennis Delaney.
- \$25.00 Thomas Brennan in memory of Dennis Delaney.
- \$30.00 Joseph J. Dydio in memory of Dennis Delaney.
- \$30.00 Mary Delaney
- \$40.00 Loretta E. Lobbia in memory of Dennis Delaney.
- \$50.00 Donald and Cindy Cofran in memory of Dennis Delaney.
- \$50.00 Ellen Dennis in memory of Joe Delaney.
- \$50.00 John G. Meade in memory of Dennis Delaney.
- \$50.00 The Bank of Georgia in memory of Robert W. Burke.
- \$50.00 Ross Fralick in memory of Robert W. Burke.
- \$50.00 Louis and Joan Cosco in memory of Dennis Delaney.
- \$50.00 Jack and Cralinda Fischl in memory of Peter Scalone.
- \$50.00 Susan Lynn Trefil in memory Dennis Delaney.
- \$50.00 Nordenia U.S.A., Inc. in memory of Robert W. Burke.
- \$50.00 The Marker Family in memory of Dennis J. Delaney.
- \$50.00 Nordenia USA Operations Team in memory of Robert W. Burke.
- \$50.00 Patricia Kafka in memory of Dennis J. Delaney.
- \$50.00 Michael and Leslie Hickerson in memory of Dennis Delaney.
- \$50.00 Michael and Mary Shanahan in memory of Dennis Delaney.
- \$50.00 Robert and Mary Devens in memory of Joe Delaney.
- \$50.00 William and Frances Alletto in memory of Dennis J. Delaney.
- \$50.00 Anthony Martin in memory of Joe Delaney.
- \$50.00 Noreen Czaszwicz
- \$50.00 Michael and Patricia Jurkash in memory of Dennis Delaney and Joe Vas.
- \$50.00 Sharon and Ray Quinlan in memory of Dennis Delaney.
- \$50.00 The Serada Family in memory of Dennis Delaney.
- \$75.00 Thomas Biesty in memory of Dennis "Joe" Delaney.
- \$100.00 The Michael H. Kaysen Family in memory of Dennis J. Delaney.
- \$100.00 Roger S. Schoob in memory of William Burke.
- \$100.00 James and Donna Ostergaard in memory of Robert Burke.
- \$100.00 Patrick and Kimberly Kaelin in memory of Robert Burke.
- \$100.00 Wanda and Shawn McDole in memory of Robert Burke.
- \$100.00 Dirk and Mary Sutherlin in memory of Robert W. Burke.
- \$100.00 Timothy G. Stoltz in memory of Robert Burke.
- \$100.00 George Waldon in memory of Robert Burke.

**THE FOLLOWING DONATIONS HAVE BEEN MADE TO THE
FIREMEN'S ANNUITY & BENEFIT FUND OF CHICAGO GIFT RESERVE ACCOUNT**

\$100.00 Ronny and Marie Coleman in memory of John Eversole.
 \$100.00 Tom and Darla Olive in memory of Robert William Burke.
 \$100.00 The Barrett Family in memory of John Thomas Barrett.
 \$100.00 John and Katherine O'Sullivan in memory of Dennis Delaney.
 \$100.00 John and Roberta Lobbia in memory of Dennis Delaney.
 \$100.00 Marie J. Royals in lovong memory of husband, Robert W. Royals.
 \$100.00 Michael and Paulette Santori in memory of Dennis Delaney.
 \$100.00 John and Mary Burrough in memory of Dennis Delaney.
 \$100.00 Mary and Walter Arvesen in memory of Dennis Delaney.
 \$110.00 Sharon L. Hector in memory of Dennis Delaney.
 \$120.00 Edwin F. Paulsen in memory of Edwin, Jeanette & James Paulsen.
 \$150.00 George, Joy and Daniel Lang in memory of Joe Delaney.
 \$150.00 The Marasovich Family in memory of Dennis Delaney.
 \$200.00 Richard Allison in memory of Dennis "Uncle Joe" Delaney.
 \$500.00 Charles Bennett in memory of Savilla Bennett.
 \$600.00 William and Catherine Denis

Monthly Gift Reserve Account Contributions as of July, 2007

\$5.00 Marianne K. Kelly	\$25.00 Joseph C. Graber
\$10.00 William Calkins	\$25.00 Marvin R. Hagele Jr.
\$10.00 Sidney Dembowski	\$25.00 John J. Halloran
\$10.00 Margaret T. Hopewell	\$25.00 John P. Healy
\$10.00 Elizabeth A. Tinaglia	\$25.00 Jack P. Jaslowski
\$10.00 Sheri Murbach	\$25.00 Michael J. Kammerer
\$25.00 Daniel J. Bracken	\$25.00 Donald M. Leigh Sr.
\$25.00 Raymond J. Bronke	\$25.00 Timothy J. Loftus Jr.
\$25.00 Daniel E. Buckley	\$25.00 James J. Loughney
\$25.00 David Cachares	\$25.00 Partick J. Moran
\$25.00 Walter M. Carlson	\$25.00 Andre J. O'Donnell
\$25.00 John Clancy	\$25.00 William G. Olsen
\$25.00 Michael A. Cohen	\$25.00 John L. Pemberton
\$25.00 Leo Cox	\$25.00 Lee M. Rodak
\$25.00 Francis M. Craven	\$25.00 Donald B. Salzman
\$25.00 Thomas J. Cunnane	\$25.00 Jack and Lee Smithers
\$25.00 Peter C. Cunningham	\$25.00 Anthony P. Thomas
\$25.00 Robert R. Devens	\$25.00 Anonymous
\$25.00 Malachy R. Flisk	\$25.00 John G. Wassinger
\$25.00 John J. Gallapo Jr.	\$25.00 Frank J. Williams
\$25.00 Mary I. Dreyer	\$25.00 North-Side Fire Brigade
\$25.00 Ruth McGraw	\$30.00 Chicago Fellowship of Christian Firefighters
\$25.00 Patricia K. Pemberton	\$35.00 Daniel Sheehan
\$25.00 Barry Thomas	\$40.00 James T. Joyce
\$25.00 Gary C. Conaway Sr.	\$50.00 Clarence E. Ellison
\$25.00 Robert L. Dehler	\$50.00 John F. Grant and Family
\$25.00 Carla Douros	\$50.00 John J. Kelly
\$25.00 Anonymous	\$50.00 Patrick R. McFarland

**THE FOLLOWING DONATIONS HAVE BEEN MADE TO THE
FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO GIFT RESERVE ACCOUNT**

\$25.00 Kevin Grand	\$50.00 Richard V. Paulus
\$25.00 William F. Graves	\$50.00 Richard O. Sterling
\$25.00 Stanley T. Kotlarz	\$50.00 Eileen Coglianese
\$25.00 Thomas F. Moran	\$50.00 Jamie L. O'Callaghan
\$25.00 Susan L. Schultz	\$50.00 Mary O'Connell
\$25.00 Michael E. Hein	\$50.00 Marian Pospisil
\$25.00 Lawrence Koscianski	\$88.00 Thomas P. Brown Jr.
\$25.00 "OleTymers" Retired Chicago Firefighters	\$100.00 Judith Lux

\$20.00 June A. Haus in memory of husband, Richard J. Haus Sr.
\$25.00 William A. Hayes Honorary Member of Engine 65/Truck 52
\$25.00 Joe and Leemon Boatner in memory of Obley Boatner Jr.
\$25.00 Joan M. Marcellino in memory of husband, Joseph Marcellino.
\$25.00 Dorothy M. Ormond in memory of husband, John T. Ormond.
\$25.00 Margaret A. Ryan in memory of husband, James J. Ryan.
\$25.00 Helen C. Carroll in memory of husband, James J. Carroll.
\$25.00 Helen McManus in memory of husband, William R. McManus.
\$25.00 Rose A. Mohr in memory of Frank A. Pils.
\$25.00 Jean Swiercznski in memory of husband, Lt. Aldo Simioni.
\$25.00 James T. McCormick in memory of Kevin McCormick and Ray Hughes.
\$25.00 Bruce & Mooney Kammier in memory of Jim Buckley & Jan.

The following donations were omitted from the last newsletter

December 2006

\$100.00 Olive Plennert, in memory of George "Dutch" Plennert
\$100.00 Carol Patzin, in memory of Thomas C. Patzin

From the Board and Staff of the Firemen's Annuity & Benefit Fund

Thank you

For your generous donations throughout the year

TRUSTEE ELECTIONS

MIKE SHANAHAN

As the newest elected trustee on the Board it is my privilege to serve as Election Committee Chairman for 2007. This year we are having two elections. One for Active Firefighter and one for the Annuitant Member. All members eligible to vote will be mailed ballot materials no later than September 21, 2007.

There is no valid reason why we average a 50% return in these elections. All ballots must be returned to the appropriate P.O. Boxes in the envelopes provided no later than October 22, 2007. **Don't wait!** When you get your ballot **VOTE!**

Firemen's Annuity and Benefit Fund of Chicago
 Unaudited Performance as of August 31, 2007
 Compiled by The Northern Trust Company

MARKET VALUE	INVESTMENT MANAGER	LATEST MONTH	LATEST QUARTER	YEAR TO DATE	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION	INCEPTION DATE
LARGE CAP VALUE									
\$70,954,176	Boston Company	0.9	-6.0	4.9	17.5	17.3	19.3	10.6	1/31/1998
\$61,797,413	Mestrow Financial Russell 1000 Value	1.1	-5.4	2.1	12.6	13.1	12.3	9.1	1/31/1998
		1.1	-5.8	2.5	12.9	14.5	14.5	8.5	
LARGE CAP GROWTH									
\$11,895,216	Husic Capital Mgmt.	2.4	2.1	-	-	-	-	19.0	2/28/2007
\$54,715,438	Logan Capital	1.4	-1.1	11.2	-	-	-	11.2	12/31/2006
\$55,510,017	Marvin & Palmer Russell 1000 Growth	3.4	3.4	9.6	-	-	-	9.6	12/31/2006
		1.6	-1.5	8.2	17.7	11.0	10.5	L,M 8.2,H 7.5	
LARGE CAP CORE									
\$54,173,051	Chicago Equity Partners Index Blend	0.7	-6.0	2.3	11.5	12.8	12.1	11.8	9/30/1994
\$151,057,680	RhumbLine Advisers Russell 1000	1.4	-3.6	4.9	14.8	12.0	11.9	11.3	
		1.2	-3.8	5.3	-	-	-	5.3	12/31/2006
		1.4	-3.6	5.3	15.3	12.8	12.5	5.3	
SMALL-MID VALUE									
\$92,439,733	Keeley Asset Mgmt.	-0.7	-6.7	10.5	25.4	27.1	23.5	19.4	1/31/1995
\$85,947,707	Neuberger & Berman *SMID Value Blended Index	3.2	0.0	12.5	18.6	18.2	19.2	18.9	1/31/1995
		0.5	-9.5	-1.4	8.7	14.5	17.3	14.1	
SMALL-MID GROWTH									
\$27,437,932	Globeflex	-0.1	-4.5	10.8	20.5	-	-	16.4	3/31/2005
\$57,969,200	Husic Capital Mgmt. Russell Midcap Growth	0.5	-3.4	9.1	19.3	16.9	17.5	14.1	
\$36,039,926	Navellier & Assoc. Russell 2500 Growth	-3.1	-11.0	8.8	17.2	23.5	22.1	11.3	8/31/1999
		1.5	-3.6	8.3	18.9	16.4	17.1	6.4	
		-0.3	-3.6	5.2	15.9	15.2	10.7	10.9	6/30/1990
		2.5	-3.4	6.3	16.4	15.1	16.3	7.7	
ALL CAP									
\$38,958,688	ICON Advisors Russell 3000	0.0	-3.5	6.8	15.6	14.3	-	15.4	12/31/2002
		1.4	-3.9	4.9	14.9	13.0	12.8	14.6	
\$798,896,175	TOTAL DOMESTIC EQUITY	0.8	-4.1	7.5	17.6	16.4	15.0		
	Russell 3000	1.4	-3.9	4.9	14.9	13.0	12.8		
	S&P 500	1.5	-3.3	5.2	15.1	12.2	12.0		
INTERNATIONAL EQUITY									
\$103,356,390	Brandes Inv Mgmt EAFE	-0.7	-3.0	7.8	21.0	23.1	23.0	16.4	6/30/1992
\$52,283,095	William Blair EAFE Growth	-1.5	-2.8	7.8	19.2	22.7	20.0	9.4	9/30/2003
\$47,795,091	Globeflex S&P/CG Mkt. Extended x US	-2.5	-1.3	10.0	23.2	26.9	-	24.5	
\$53,617,718	LSV MS Emerging Mkts.Free	-1.0	-1.5	10.3	20.0	22.0	18.1	20.4	8/31/2006
		-6.5	-7.6	5.2	19.6	-	-	19.6	
		-3.7	-4.7	8.7	23.5	27.5	26.3	23.5	5/31/2006
		-2.1	8.0	21.4	44.0	39.0	33.2	38.1	
\$257,053,746	TOTAL INT'L EQUITY	-2.7	-1.2	12.2	27.3	26.4	23.6		
	MS WORLD X USA	-1.4	-2.6	8.5	19.5	23.1	20.5		
\$1,055,949,921	TOTAL EQUITY	-0.1	-3.3	8.7	20.0	18.7	16.9		
	*TOTAL EQUITY BLENDED INDEX	0.9	-3.6	5.7	15.9	15.0	14.4		

* TOTAL EQUITY BLENDED INDEX CONSISTS OF 80% RUSSELL 3000 AND 20% MSCI WORLD X USA

Firemen's Annuity and Benefit Fund of Chicago
 Unaudited Performance as of August 31, 2007
 Compiled by the Northern Trust Company

MARKET VALUE	INVESTMENT MANAGER	LATEST MONTH	LATEST QUARTER	YEAR TO DATE	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION	INCEPTION DATE
	FIXED INCOME								
\$64,662,256	EARNEST Partners-CORE	1.0	1.7	2.9	5.3	-	-	3.4	6/30/2005
\$87,385,254	Western Asset-CORE PLUS	0.4	-0.4	1.0	3.7	-	-	4.6	11/30/2005
\$94,828,063	Loomis Sayles-OPPORTUNISTIC	1.9	-2.7	2.8	8.6	9.4	12.9	8.9	4/30/1999
\$246,890,109	TOTAL FIXED INCOME	1.1	-0.8	2.2	6.0	5.9	8.0		
	<i>LB Aggregate</i>	<i>1.2</i>	<i>1.8</i>	<i>3.1</i>	<i>5.3</i>	<i>3.7</i>	<i>4.3</i>	<i>E 3.5, W 4.8, L 5.7</i>	
	COMMODITIES/HEDGE FUNDS								
\$14,925,545	Credit Suisse	-3.6	4.5	9.3	-6.6	-	-	-0.3	2/28/2006
	<i>GSCI Commodity Index</i>	<i>-4.6</i>	<i>3.9</i>	<i>7.3</i>	<i>-8.5</i>	<i>4.7</i>	<i>-</i>	<i>-1.9</i>	
\$17,917,133	PIMCO Commodity	-3.4	-2.1	3.0	-1.4	-	-	7.1	1/31/2005
	<i>DJ AIG Commodity Index</i>	<i>-3.6</i>	<i>-3.0</i>	<i>2.8</i>	<i>1.8</i>	<i>9.1</i>	<i>13.2</i>	<i>9.4</i>	
\$32,842,678	TOTAL COMMODITIES	-3.5	0.8	5.8	-3.8	-	-	3.0	(Net of 0.75% fees)
	<i>Blended Commodity Index</i>	<i>-4.1</i>	<i>0.4</i>	<i>5.1</i>	<i>-3.3</i>	<i>7.0</i>	<i>11.9</i>	<i>4.8</i>	
	PRIVATE EQUITY								
\$6,017,926	BA Partners-New Century	0.1	7.9	18.5	24.6	-	-	27.4	2/9/2005
\$2,558,884	BA Partners Buyout	0.0	-0.5	1.7	-0.7	-	-	-5.3	10/7/2005
\$363,017	BA Partners International	0.0	0.0	5.0	7.8	-	-	-2.1	10/7/2005
\$571,336	BA Partners Venture	0.0	-1.9	-5.7	-7.0	-	-	-9.6	10/7/2005
\$735,022	Muller Monroe	4.2	2.9	-2.1	-2.3	-	-	-18.1	11/30/2005
\$2,462,594	Mesitow	0.0	-1.0	-1.3	-11.4	-	-	-16.3	8/2/2006
\$12,708,779	TOTAL PRIVATE EQUITY	0.3	3.6	9.0	10.6	-	-	17.9	
	<i>Russell 3000 +5%</i>	<i>1.8</i>	<i>-2.8</i>	<i>7.9</i>	<i>19.8</i>	<i>17.8</i>	<i>17.6</i>	<i>N/A</i>	
	CASH								
\$2,015,053	Cash	0.4	1.3	3.5	5.3	4.1	3.0	5.2	9/30/1985
\$1,350,406,539	TOTAL FUND	0.1	-2.7	7.5	16.5	15.9	15.0		
	<i>Russell 3000</i>	<i>1.4</i>	<i>-3.9</i>	<i>4.9</i>	<i>14.9</i>	<i>13.0</i>	<i>12.8</i>	<i>12.8</i>	
	<i>S&P 500</i>	<i>1.5</i>	<i>-3.3</i>	<i>5.2</i>	<i>15.1</i>	<i>12.2</i>	<i>12.0</i>	<i>12.0</i>	
	<i>Lehman Govt/Credit</i>	<i>1.3</i>	<i>2.1</i>	<i>3.3</i>	<i>5.4</i>	<i>3.5</i>	<i>4.5</i>	<i>4.5</i>	
	<i>90 Day Treasury Bills</i>	<i>0.4</i>	<i>1.2</i>	<i>3.4</i>	<i>5.1</i>	<i>4.1</i>	<i>2.9</i>	<i>2.9</i>	

The roller coaster ride in the U.S. equity markets continues. So many issues, such as the subprime mortgage collapse, falling home sales and prices, the corporate credit crunch, inflation, recession, rising oil prices and falling employment are all swirling around the markets.

Since the beginning of the year, the S&P 500 index, a broad measure of domestic stocks, had fallen 3.0% through early March, then rebounded 13% to a new all time in July, then fell 9.5% through August. Even Maalox doesn't really help settle the stomach after such a bumpy ride.

No matter the volatility in the markets, your Fund has been built to withstand such turbulence. Over the past few years, the Fund refined its approach to become an all weather portfolio while still striving for top performance. Remember, even though these sharp rises and falls have been occurring almost daily, the Fund is a long-term investor with a long-term time horizon and perspective.

For the eight months ended August 31, 2007, your Fund has earned 7.5% compared to 5.2% for the S&P 500. For longer time periods, the Fund has done even better, as the chart below shows:

<u>Through August 31, 2007</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
Fund	16.5%	15.9%	15.0%
S & P 500 Index	15.1%	12.2%	12.0%
Lehman Corp./Gov. Bond Index	5.4%	3.5%	4.5%

The Fund continues to explore new investment opportunities to reduce risk while enhancing future returns. Some of the new areas we are looking at for potential investment include global real estate, foreign currencies and commodities. We are also conducting a study to make sure that our assets are properly matched to our future liabilities.

Your Trustees continue to maintain vigilance in the investment of your Fund's assets. As always, we will continue to exercise care and prudence.

ROTC DONATION TO WIDOWS AND ORPHANS



The Chicago Public Schools JR ROTC Program graciously donated a total of \$10,097.00 to the Widows and Orphans of Chicago Firefighters and Chicago Police Officers.

The fall season is a busy time of year for the Fund office staff. Every year, the greatest number of members choosing to retire, do so in November. If you are considering retirement we would like to ask you, to help us help you, by planning ahead and following a few guidelines.

- **ESTIMATED MONTHLY ANNUITY PAYMENTS** – Call for an estimate as soon as you know an approximate date for your retirement. Obviously our staff will give priority to those nearest retirement. The Fund does not like to provide estimates for dates beyond two years. Many variables impacting your calculation can change and make the estimate inaccurate.

Given the fact that the existing salary structure is frozen until a new contract is ratified, estimates will not be 100% accurate. The Fund will not guess salary increases above the existing contract. You may request an estimate by contacting the Fund office at (312) 726-5823 and provide us with a date.

- **MAKE AN APPOINTMENT** - The average retirement application and interview process takes 2-3 hours per individual. The Fund will review all items in your file that might have an impact on your immediate retirement, your eligibility and enrollment for retiree health care and your spouse's and children's future benefits if applicable. Other factors may complicate the process further, Divorces, Quildro Orders, etc. To make an appointment to retire, call the Fund office at (312)726-5823.
- **RESIGNATION FROM CHICAGO FIRE DEPARTMENT** - You must resign from the Chicago Fire Department before we will accept your application for retirement. The Fund needs the pink copy of your resignation to proceed. This specifically lists your 8:00am separation date. Please contact Commander Edgar Ignacio at CFD Personnel at (312) 746-6902 ext. 148 to make an appointment.

The transition from active employment to retirement is a BIG STEP. The Trustees and staff of the Firemen's Annuity and Benefit Fund of Chicago are committed to assist our members throughout this entire process. Please plan ahead and help us help you.

AUTOMATIC ANNUAL INCREASE

The biggest reason that November is the most popular month for retirement is the method in which the pension code provides for paying the automatic annual increase. Illinois Pension Code Section 6-164 provides for the payment of an annual increase for members retiring with 20 years of service or more.

As of this writing, members born before January 1, 1955 are entitled to a 3% (non-compounded) annual increase, based on the original retirement annuity payable one year and one month after retirement, then on each January 1st thereafter. Eligibility also requires the attainment of age 55. These 3% increases continue for life.

Members born on or after January 1, 1955 are entitled to receive a 1 ½ % , non-compounded annual increase, based on the original retirement annuity upon the attainment of age 60 and being retired for one year and one month for a maximum of 20 years or a maximum increase of 30%.

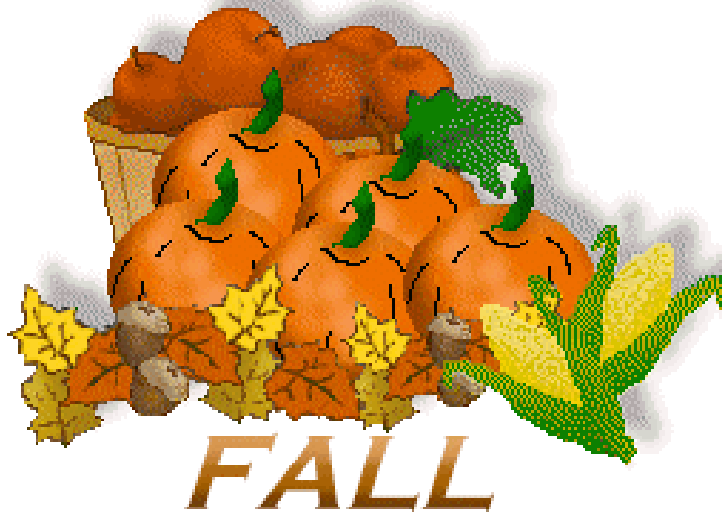
It is unknown at this time when any legislative amendment might be enacted to move up or eliminate the "born before" date. Typically when a legislative amendment of this nature is adopted, it is usually prospective only. Discussion concerning this provision of the code will increase as more and more members, born after January 1, 1955 begin to retire.

By now many of our members who were enrolled in the City of Chicago, Health Care Plans for Annuitants have received partial refunds of the health care premiums that were overpaid during calendar year 2005. Not all Annuitants were eligible for those refunds. The Fund mailed an informational letter concerning these refunds in late August.

The Korshak settlement agreement which governs the annuitant health care program requires that set percentages of the total costs of annuitant health care be paid by the City of Chicago, the Annuitants and the Pension Funds. Refunds are required because the premiums paid by certain categories of annuitants in calendar year 2005 exceeded the Annuitants required percentage.

Why does this occur? The individual premiums to be paid by Annuitants are set in advance based upon projections of funds in health care cost increases, combined with expectations of utilization by all annuitant members. The premium rates are established to produce enough revenue to cover the annuitant portion of the total expected costs. It is not until the end of any given year, when the actual costs can be compared to the total amounts paid, that a determination can be made about a refund.

There is no guarantee that refunds will be paid every year. I for one am very pleased with the fact that the City of Chicago continues to provide the annuitant health care program. The Korshak agreement requires that this structure be continued through at least 2013. We will be watching the current contract negotiations between the City and the Union to see if any discussion concerning annuitant health care comes up.

**REQUIRED DISCLAIMER**

The information set forth herein is believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Firemen's Annuity & Benefit Fund of Chicago, the Retirement Board (the "Board") or any member of the Board. The information and expressions of opinion contained herein are subject to change without notice. All expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. Financial information contained in this newsletter is as of a certain date, is unaudited and should not be relied on.

Maintaining your brain

You wouldn't expect to stay physically fit without regular exercise, so why would you expect your mind to stay nimble if you're not regularly putting it through a workout?

Research is increasingly showing that aging doesn't automatically result in the steady attrition of brain cells. Rather, older adults who work their brains not only can develop new connections between brain cells, but may even be able to grow new ones. In addition, your overall health can have an enormous impact on the health of your brain.

Mind Aerobics

It's said that the left side of the brain is in charge of language skills and logical thinking, while the right side is in charge of spatial and artistic skills. Although this is an oversimplification of the brain's highly coordinated activity, it's true that certain mental tasks spark more activity in certain regions of the brain.

Using your mind in a wide variety of new and challenging ways activates cells throughout your brain. It also allows you to practice skills of mental sharpness such as concentration, focus and memory recall. Try stimulating your mind by:

Working the "left brain"

Language, number and reasoning activities are often considered left-brain orientated. Reading, writing, learning a new language, completing number or word games, doing

your taxes, balancing your checkbook without a calculator and fixing broken objects are left-brain activities.

Working the "right brain"

Music, art and using your imagination are activities considered right-brain oriented. You may be able to ease into an artistic pursuit by taking a beginner's art class, reviving a musical talent, joining a choir, making a wooden bookshelf, or knitting or quilting.

Breaking a routine-

Long-familiar daily routines can become so ingrained that it doesn't require a lot of thought to make it through the day. Challenge your brain with a new activity- whether it's meeting someone new, learning a skill or simply taking an alternative route to the store.

Remembering or memorizing something-

Think of a story from your youth that's nearly forgotten and write it down. If you have trouble remembering all of the details, you may be able to prompt your memory by remembering associated details, such as recalling the house or neighborhood you lived in, or the names of friends.

Memorize phone numbers, a grocery list, to words to a poem or song, or people's names. When you want to remember facts or ideas, talk about them and formulate your own. For example, think of a way to summarize the main ideas of a book you've just finished

and use that summary in a conversation.

Try Meditation

Studies have shown that meditation activates the parts of the brain associated with happiness and contentment, and reduces stress and anxiety. This activation can occur even in newcomers to meditation, and grows more robust with practice.

Meditation can be done in many ways. Buddhist monks meditate on the thought of compassion and unrestricted willingness to help all living beings. Other forms calm your body and focus your attention on a sensation, such as breathing, or a word or a phrase.

Engaging in social activity-

Engaging in conversation with a wide variety of people- family, friends, or strangers- can be a complex and varied task that your mind undertakes. Social engagement has been linked in many studies to the reduction of mental decline. You can find social engagement by joining a travel or exercise group or by volunteering.

The Impact

Research has yet to determine whether an active mind puts you at lower of dementia or Alzheimer's disease, though it does appear to have some impact. The possibility of preventing disease is only one part of keeping your mind sharp. The other is about living an active and fulfilling life.



The Firemen's Annuity & Benefit Fund of Chicago, Gift Reserve Account, received a check from the proceeds of the "The 5th Annual Battle of the Badges" in the amount of \$4,000.00. The CFD team now leads the series against the Chicago Police Dept. team 3 years out of 5. Pictured from left to right: Father Tom Mulcrone, Eileen Coglianese, Gold Badge Society, Mary Rose McNamee, Gold Badge Society, Steven O'Malley, CFD Boxing Team, Kevin MacGregor Coordinator of Special Events, Chicago Fire Department, Anthony Martin, Firemen's Annuity & Benefit Fund Trustee.

FIREMEN'S ANNUITY & BENEFIT FUND
Twenty South Clark Street
Suite 1400
Chicago, Illinois 60603



PRESORTED
FIRST CLASS MAIL
US POSTAGE PAID
CHICAGO, ILLINOIS
PERMIT NO. 1174